

Kentucky Agricultural Development Board

Minutes of the July Board Meeting

The regular meeting of the Kentucky Agricultural Development Board was held on **Friday, July 18, 2003** at **10:00 a.m.**, at the Capitol, Room 110. Governor Paul E. Patton presiding, called the meeting to order, and the Secretary called the roll.

Members Present

Vickie Yates Brown, Larry Clay, Susan Harkins, Wayne Hunt, Sam Lawson, Sam Moore, Governor Paul E. Patton, Commissioner Billy Ray Smith, Dean M. Scott Smith, Smith Mitchell designee for Secretary Gene Strong

Members Absent

Danny Case, Seth Conner, Eddie Sellers, Mike Slaughter

Others Present

Staff - David Bratcher, Penny Durham, Sandra Gardner, Kara Keeton, Maggie May, Bill McCloskey, Gene Royalty, Brad Wellons, Steve Yates **Guests** – Jim Akers, Kentucky Beef Network (KBN); John Stevenson, KBN; Dave Maples, Kentucky Cattlemen's Association (KCA); Doug Thomas, Kentucky Department of Agriculture (KDA); Dave Loney, Kentucky Vineyard Society; Sharon Burton, Farmer's Pride; Shana Herron, Community Farm Alliance (CFA); Larry K. Snell, Kentucky Center for Cooperative Development; Andre Brousseau, Kentucky Grape and Wine Council; Biff Baker, Legislative Research Commission; Don Goodin, Goodinview Farms; Jim Mansfield, KDA; Charles Goodin, Jr., Goodinview Farms; Debby Spencer, West Kentucky Corporation; John Strang, University of Kentucky; Tony McVeigh, Clear Channel

Notification of Media

Governor Patton received verification from Gene C. Royalty that the media had received notice regarding the Agricultural Development Board meeting.

Welcome

Governor Patton welcomed everyone to the meeting.

Approval of Minutes

The minutes of the June 20, 2003 meeting were approved as presented.

Executive Director's Report

Mr. Royalty noted that the Little KY Smokehouse, a project supported with Agricultural Development Funds, has provided the Board samples of their product from their grand opening yesterday. Mr. Royalty invited the Board and guests to sample the product.

Mr. Royalty yielded the floor to David Bratcher to discuss the Kentucky Cattlemen's letter regarding EPDs. Mr. Bratcher yielded the floor to David Maples for comment. The proposal is to make the proposed EPD guidelines the only standard for the Cattle Genetics Model Program, so that there is more consistency among the counties and compliance is easier. Staff is recommending that we maintain the minimum standards and allow counties to increase the standards, if they wish.

Governor Patton asked for clarification of the request regarding the UK standards. Sam Moore noted that this was looked at to standardize the guidelines, so that every county has the same requirements. Mr. Moore also noted that there has been contention from the beginning on the use of EPDs; some breeders have thought from the beginning that the guidelines are too stringent and were moving the beef industry in the wrong direction – larger animals to fit the grid.

Larry Clay noted that the biggest hurdle at first was to get farmers to buy bulls for which the genetics are known. Mr. Clay noted that there are small changes in the proposed EPDs from the current guidelines.

Mr. Moore commented that there are producers saying we are raising the size of the herd, rather than the most economical animal/herd.

Governor Patton asked who comprised the committee. Mr. Maples noted that it was comprised of cattlemen, UK representatives, and Board representatives.

Dean M. Scott Smith clarified that the request is to not allow counties to change the EPD standard. Mr. Maples noted that the producer could choose a higher genetics bull on their own. Dean Smith noted that everyone's opinion on this issue varies and noted that it is a target. Dean Smith yielded the floor to Jim Akers, UK Extension.

Mr. Akers explained the reason for the "levels" of requirements among the counties. Mr. Akers noted that Dr. Darrh Bullock's requirements that the program is based on are stricter than the state guidelines. Several counties have adopted these stricter guidelines. Mr. Akers noted that the counties would appreciate a standard, whether it is high, medium or low.

Commissioner Smith asked of Mr. Akers if any of the calving ease traits were adjusted. Mr. Akers said that that trait was not changed. Mr. Akers noted that the percentile ranking is lowered across the board on the traits, with some being affected less. *[A copy of the proposed EPD guidelines is on file with the Board Secretary.]*

Governor Patton clarified with Mr. Akers that his opinion is that County Councils will not mind having standardized genetics requirements for the model program. Mr.

Akers noted that the growth requirements are affected more than the other trait requirements, and that the milk trait is left out of the equation and up to the farmer purchasing the bull. The standard is being moved so that those concerned with traits other than size will qualify.

Mr. Moore noted that the issue is what is best for the producer, not the size and look of the cattle. He also noted that the intent is not to diminish this program, because it has been extremely important to Kentucky's cattle industry. Producers have learned the importance of genetics and other considerations.

Governor Patton asked if the Board wanted to go on the recommendation of an outside committee or form its own committee to study the issue. Mr. Bratcher noted that any committee that the Board would put together would include the same individuals. Mr. Moore noted that all major breeds were represented on the committee. Mr. Bratcher also noted that two Board members and UK were represented on this committee.

Commissioner Smith moved that the proposed genetics requirements (EPDs), as recommended by the industry committee, be adopted for the Cattle Genetics Model Program as a statewide standard; Mr. Hunt seconded the motion. Mr. Clay asked if the motion is for the whole document or just the EPD part. It is just the EPD part. The motion passed without dissent.

Mr. Bratcher noted a second part of the Cattlemen's letter included a request for a bred heifer program. The maximum per heifer is \$200 and the maximum per farm is \$1,250.

Mr. Clay asked if the counties would have to do the heifer portion if it became part of the genetics program. Mr. Bratcher said that counties would have the option to opt out of the heifer portion of the program.

Wayne Hunt asked for this issue to be tabled until there has been time to study the recommendation.

Dean Smith asked if this would improve the herd. Mr. Moore said no. Dean Smith noted that this seems to be more of something to increase herd numbers, not quality. Mr. Clay noted that he has reservations, as well.

Commissioner Smith agreed that the issue should be studied further.

Mr. Royalty introduced Mr. Bratcher to provide a report on the Cumberland Farm Products (CFP) Study. Mr. Bratcher commented on the project and introduced Bill Wilson and Mark Warren of Co-Bank Business Advisory Services to present their findings. *[A copy of the presentation handout is on file with the Board Secretary.]*

Mr. Wilson thanked the Board for having them. He introduced his associate and provided an overview of the project.

Mr. Wilson reviewed the project's objectives and the methods used to study the issues to improve the odds of success. Mr. Wilson noted that many agricultural

projects want to jump from the “idea” section of their model to the “business implementation” portion without considering market and business feasibility.

Mr. Wilson pointed out that CFP is in the “business feasibility” portion of the model.

Mr. Wilson presented the “Strategic Options” for CFP. The one that will be focused on is “...entering into a strategic alliance with an existing and experienced regional processor...”

Mr. Wilson presented the scoring criteria used in the study. Mr. Wilson pointed out a couple of the areas on the “Opportunity Map” for CFP.

Dean Smith asked where the regional processors are located. Mr. Wilson noted that there are several in surrounding states and one in Louisville, Horton’s. Mr. Wilson noted that there may be one or two others still operating within the state.

Mr. Wilson pointed out the “value proposition” at which CFP is looking.

Susan Harkins asked who is interested in the Kentucky Fresh product. Mr. Wilson said mostly in-state at all levels of the chain.

Mr. Wilson reviewed the “next steps” for CFP. He also noted that they have a meeting with a major processor on Monday (7/21).

Mr. Bratcher thanked Mr. Wilson and summarized the overall venture.

Governor Patton asked if Cumberland Farm Products had a representative present and what they thought about this potential venture. Larry Snell, former General Manager of CFP, addressed the Governor’s question. Mr. Snell noted that this is the next step that vegetable coops need to look at, because consumers are buying more pre-packaged, prepared products, rather than straight commodity.

Dean Smith asked Mr. Snell why an established regional processor would be interested in this venture. Mr. Snell noted that the Chicago processor CFP is currently shipping raw product up and they are shipping processed product back down. So this project would affect transportation costs and freshness of product. This is a year round project with a processing facility located in state, owned by the major processor.

Mr. Wilson noted that the product would more likely be moved into the food service industry, rather than the food store industry, which could provide bigger bang for the buck as away from home dining increases.

Governor Patton noted that this sounds like a great concept and highlighted Mr. Wilson’s point that we want to move our agricultural land into production of high-value products. He also noted the importance of the cooperative in this venture, so that the farmer will benefit from the further processing of the product.

Mr. Warren noted that CFP is willing to open this model up to the other three vegetable cooperatives in the state.

Referral of August Projects¹

Mr. Royalty presented projects A2003-0408 to A2003-0472 for referral to the Board's Project Review Committees. Mr. Moore moved that "projects A2003-0408 to A2003-0472 be referred the Board's Project Review Committees;" Smith Mitchell seconded the motion. The motion passed without dissent.

Approval of Model Programs²

Mr. Royalty submitted projects A2003-0224, A2003-0291, A2003-0310, A2003-0314, A2003-0353, A2003-0374, A2003-0376, A2003-0379, A2003-0382, A2003-0386, A2003-0394, and A2003-0407 as projects meeting the model **Agricultural Diversification Program** guidelines. Mr. Hunt moved that same be approved as model Agricultural Diversification programs; Sam Lawson seconded the motion. The motion passed without dissent.

Mr. Royalty submitted projects A2003-0333, A2003-0340, and A2003-0369 as projects meeting the model **Fencing Improvement Program** guidelines. Mr. Clay moved that same be approved as model Fencing Improvement Programs; Mr. Moore seconded the motion. The motion passed without dissent.

Mr. Royalty submitted projects A2003-0292, A2003-0300, A2003-0318, A2003-0344, A2003-0346, A2003-0360, A2003-0365, A2003-0384 and A2003-0397 as projects meeting the model **Forage Improvement & Utilization Program** guidelines. Mr. Hunt moved that same be approved as model Forage Improvement & Utilization Programs; Mr. Moore seconded the motion. The motion passed without dissent.

Mr. Royalty submitted projects A2003-0294, A2003-0315, A2003-0321, A2003-0345, A2003-0356, A2003-0362, A2003-0383, and A2003-0395 as projects meeting the model **Genetics Improvement Program** guidelines. Mr. Moore moved that same be approved as a model Cattle Genetics Improvement Program; Mr. Clay seconded the motion. The motion passed without dissent.

Mr. Royalty submitted projects A2003-0289, A2003-0313, A2003-0320, A2003-0355, A2003-0361, A2003-0366, A2003-0373, A2003-0389, A2003-0390, and A2003-0405 as projects meeting the model **Goat Diversification Program** guidelines. Mr. Mitchell moved that same be approved as model Goat Diversification Programs; Mr. Hunt seconded the motion. The motion passed without dissent.

Mr. Royalty submitted projects A2003-0290, A2003-0293, A2003-0316, A2003-0322, A2003-0343, and A2003-0391 as projects meeting the model **Cattle Handling Facilities Program** guidelines. Mr. Clay moved that same be approved as model Cattle Handling Facilities Programs; Ms. Harkins seconded the motion. The motion passed without dissent.

¹ A detailed list of the referred projects is attached as Appendix A.

² A detailed list of projects funded under each model program category is attached as Appendix B.

Mr. Royalty submitted projects A2003-0256, A2003-0302, A2003-0309, A2003-0317, A2003-0342, A2003-0357, A2003-0359, A2003-0342, A2003-0364, A2003-0367, A2003-0385, A2003-0393, A2003-0399 and A2003-0403 as projects meeting the model **Hay, Straw & Commodity Storage Program** guidelines. Mr. Hunt moved that same be approved as model Hay, Straw & Commodity Storage Programs; Mr. Mitchell seconded the motion. The motion passed without dissent.

Mr. Royalty submitted project A2003-0392 as a project meeting the model **On-farm Water Enhancement Program** guidelines. Mr. Clay moved that same be approved as a model On-farm Water Enhancement Program; Mr. Moore seconded the motion. The motion passed without dissent.

Committee Reports

Blue Project Review Committee

Smith Mitchell reported for the Blue Project Review Committee (PRC). Mr. Mitchell noted that the Blue PRC is presenting five projects for funding consideration.

Mr. Mitchell presented application **A2002-0657**. The applicant, **Kentucky Department of Agriculture**, requests \$10,172,425 in state Agricultural Development Funds for the following programs: Kentucky Fresh, Restaurant Rewards, Kentucky Company Promotions, International Marketing Programs, Agri-Tourism, Youth Education/Marketing Opportunities, Under Served Areas, Infrastructure Development Program, New Product Development Center, Regional Agricultural/Rural Business Development, Market Research and Initiation Fund and Staff Development/Education Fund.

The Board Project Review Committees recommend funding at the level of \$2,021,400 of state funds for a 2-year period of which every dollar shall be used to assist Kentucky producers and Kentucky companies to promote and market their products and companies. The funds being recommended for approval are either co-op advertising dollars or cost-share funds being matched on a 50-50 basis for Kentucky producers and companies. The breakdown of the programs recommended for funding and the amount recommended for each program is listed in the Term Sheet. Mr. Mitchell reviewed the proposed terms and conditions for the project. Ms. Harkins moved that application **A2002-0657** be approved for **\$2,021,400 in state Agricultural Development Funds**; Mr. Clay seconded the motion. Commissioner Billy Ray Smith recused himself from the vote. The vote passed without dissent.

Mr. Mitchell presented project **P2003-0083**. The application received a high priority from Garrard County. The applicant, **Sutton Honey Farm, LLC**, requests \$45,400 in state and \$2,000 in Garrard County Agricultural Development Funds for the improvement and updating of their processing facilities, which will enable them and other producers to process honey more efficiently and safely. The improved facilities will provide beekeepers in the central/south central Kentucky (12 – 15

counties) an expanded and more efficient location to extract their honey in an inspected facility.

They will also be able to furnish bees (4-5 frame nucs) to Kentucky beekeepers throughout the commonwealth. (A nuc of bees is the frames with brood, bees, honey and new laying queen.) A nuc will build up two months quicker than a package purchased through the mail and be ready for honey production /pollination by the middle of May.

Benefits of this project include: Increasing the efficiency in the movement of a greater number of colonies of bees by palletizing the colonies four to a pallet and allowing the bees to be moved without regard to weight, weather or lack of labor.

Additionally, honey production will be increased by increasing the number of colonies, along with increasing production per colony by being more mobile. Being more mobile will also allow Sutton Honey Farm to service more producers; this will lower the cost of production and increase the yield per colony. Mr. Mitchell reviewed the proposed terms and conditions for the project. Mr. Mitchell moved that project **P2003-0083** be approved for **\$45,400 in state and \$2,000 in Garrard County Agricultural Development Funds**; Commissioner Smith seconded the motion. The motion passed without dissent.

Mr. Mitchell presented application **A2003-0118**. The applicant, **The Kentucky Grape and Wine Council**, requests \$1,000,000 in KCADE funds to further the grape and wine industry as a viable source of income through the acquisition of expert help in two key areas: a viticulture specialist –to guide vineyard development and educate growers; and an enologist – to assist Kentucky wineries in production of high-quality products. KCADE funds are being requested because this application will be offering capacity-building education and hands-on training for farmers statewide, one of the major components of the KCADE mission statement. This application also seeks to help assure grape variety and wine research to assist growers and wineries and to provide a source of marketing and promotion for the industry in Kentucky.

83% of Kentucky's grape growers either currently grow tobacco on their farms, or have done so in the last five years. Over 39 Kentucky counties have commercial vineyard plantings. Interest in planting grapes continues to be strong, particularly from tobacco growers. There are currently 13 licensed, producing wineries in Kentucky representing a 116% increase from 6 in 1997.

Funds are being requested to establish a comprehensive program that will help ensure the continued development of the Kentucky grape industry. One long-term goal is to secure permanent funding for grape industry research and promotion from a percentage of the excise taxes generated from wine sales in Kentucky.

Program Objectives:

1. Develop a "new" and viable agriculture industry that is an alternative for Kentucky's small farmers.
2. Provide opportunities and employment for Kentucky tobacco farmers and farm workers by helping them diversify into commercial grape production.
3. Assist new and existing Kentucky grape growers in producing quality grapes by providing them with research based production expertise and

guidance from the state viticulturist to secure marketability and a premium price.

4. Assist new and existing Kentucky wineries to produce quality wines by providing them research based winemaking expertise and guidance from the state enologist.

After this 2-year funding expires, the Kentucky Grape and Wine Council intends to attempt to establish permanent viticulturist and enologist positions at the University of Kentucky College of Agriculture.

The Blue Project Review Committee recommends funding this application at the level of \$785,125 of KY Center for Agricultural Development & Entrepreneurship (KCADE) funds. Mr. Mitchell reviewed the proposed terms and conditions for the project. Mr. Mitchell moved that application **A2003-0118** be approved for **\$785,125 in KCADE funds**; Mr. Lawson seconded the motion. Governor Patton opened the floor for discussion:

Dean Smith noted that he will abstain from the vote, but provided comment of the proposed Terms & Conditions. Dean Smith noted that in the third condition the word "request" be added after "budget," so that the condition reads, "...these positions shall be included in the University of Kentucky College of Agriculture budget request."

Dean Smith asked for an understanding that it is somewhat difficult to have someone come to Kentucky to fill a full-time, temporary position. He also noted that there may be delays or that subcontracting may need to be considered.

Governor Patton asked Dean Smith if this is necessary for the improvement of Kentucky's wine/grape industry. Dean Smith noted that the wine study [commissioned by the Board] outlined the need for these positions, and that they were important for the progression of the industry.

Governor Patton asked about the permanency of such positions or were they ones that could be phased out over time. Dean Smith introduced Dr. John Strang to clarify over-time costs and the two positions.

Governor Patton asked Dr. Strang if progress is being made in the wine industry. Dr. Strang indicated that progress is being made.

Governor Patton asked the Board to look at the possibility of funding being required beyond the two-years requested today.

Mr. Mitchell presented application **A2003-0171**. The applicant, **Kentucky Beef Network, LLC**, requests \$4,268,863 of state Agricultural Development Funds for two years to provide a means for the individual cattle producer to realize increased return per head and to effectively cope with changes expected in the cattle industry. This project will systematically approach adding value and increasing income through: feeder cattle preparation and marketing; increased efforts in obtaining information on feedlot and carcass performance; forage utilization; genetics; business and herd evaluation; use of computerized cattle and financial records; introduction and recommendation of lower-cost production methods; and producer certification. This

project also helps producers to take advantage of, and utilize, the available county agriculture development funds. A pilot project will be developed to address permanent identification of cattle.

The Kentucky Beef Network will continue to address these critical priority areas through a multi-faceted initiative focusing on Marketing, Education, and Producer Certification. Critical components of the network will be the continued utilization of 10 Area Facilitators, while adding two Area Representatives, located throughout the state to assure participation, support farmer efforts, and preserve the integrity of programs. The two representatives will be assigned responsibilities associated with specific programs, such as CPH-45 Internet sales and CHAPS (Cow Herd Appraisal Programs.)

The working relationship with Blue Grass Auction markets to provide live broadcasting of CPH-45 sales will continue to be strengthened. This process does not change the role of the local auction markets, but does enhance local efforts. The sales will be conducted in the same manner as they are currently, but will also be broadcast live on the Internet.

KBN's role will be to provide the high-speed Internet connection necessary to provide live video and audio fast enough to keep pace with an auction. In addition to increasing buyers at the sales, Internet broadcasts also help promote Kentucky's efforts throughout the country. Once the value of Internet broadcasting of CPH-45 sales is established and the technology is mastered, the opportunities to expand the use into other areas are substantial. This system could be a major source of income for the Kentucky Beef Network in the future.

Agricultural Development funds will be used to continue the efforts of the Kentucky Beef Network. The funds will be used for, but not limited to, projects including the advancement of value added feeder calf sales, and to incorporate additional Kentucky cattle producers in educational, record keeping and certification programs in order to relieve financial dependence on tobacco and move to a more cattle/forage-based operation. Producer programs will be 50 percent cost-share. Some will be on a fee basis. The expansion and growth of these efforts will be driven by producer interest and market demand. Increased focus will be on development of infrastructure in the marketing and data management aspects. According to 1999-2000 Kentucky Agricultural Statistics there are 41,000 beef farms in Kentucky, 22,000 farms that have tobacco and beef cattle, and the average farm size is 150 acres. It is estimated to date the Kentucky Beef Network and its affiliated programs have reached 7,000 Kentucky cattle producers. This is within the three-year goal of reaching 25% of the state's cattle farms, which would result in impacting 10,250 farms overall and 5,500 farms with tobacco and cattle. Small and medium sized farms will gain the most advantages of this proposal. After completing the first year of the Kentucky Beef Network they met their initial projection to reach 10% of the state's beef cattle farms.

The Board Project Review Committees recommend funding this request at a level of \$2,268,863. The Committees recommend that the applicant reapply for the \$2,000,000 Market Development component once it is determined specifically how that component will work. Mr. Mitchell reviewed the proposed terms and conditions for the project. Mr. Mitchell moved that application **A2003-0171** be approved for

\$2,268,863 of state Agricultural Development Funds; Mr. Moore seconded the motion. The motion passed without dissent.

Governor Patton excused himself for another meeting. Commissioner Smith took over as presiding officer.

Dean Smith asked for someone to comment on the \$2,000,000 KBN Market Development Program that was just pended.

Mr. Maples distributed materials that address the questions/concerns from the Project Review Committees. [*This handout is on file with the Board Secretary.*]

Mr. Akers highlighted the process to receive funds through the program and the committee structure related to the program.

Dean Smith moved to endorse the initiative and revisit this pended portion in August; Mr. Clay seconded the motion. The motion passed without dissent.

Mr. Mitchell presented project **P2003-0082**. The application received a high priority from Marion, Casey and Nelson Counties. The applicant, **Goodinview Farms, Inc.**, requests \$658,038 in state and county Agricultural Development Funds as a grant for the development of a 22,800 square foot vegetable processing facility and a \$300,000 low interest loan for working capital. The facility will receive, grade, pack, cool, market and ship vegetables. The applicant is also processing shrimp and fish. The Blue Project Review Committee recommends funding this project as a \$439,537 forgivable loan (\$10,000 Marion, \$10,000 Casey, \$10,000 Nelson and \$409,537 in state). Mr. Mitchell reviewed the proposed terms and conditions for the project. Mr. Mitchell moved that project **P2003-0082** be approved for a **\$439,537** forgivable loan, as detailed above; Mr. Lawson seconded the motion. Commissioner Smith opened the floor for discussion:

Ms. Harkins noted that the Goodins were present and expressed her concerns about the application. Charles and John Goodin addressed some of Ms. Harkins concerns.

Mr. Moore clarified that forgiveness of the loan was not applied to any products grown by Goodinview Farms. He requested that the condition relating to this clearly state that forgiveness will not be based on products grown by Goodinview Farms.

Vickie Yates Brown asked if any projects similar to this had been approved. Ms. Brown noted that the Terms & Conditions for this project should be consistent with other similar projects.

The motion passed without dissention.

Red Project Review Committee

Sam Lawson reported for the Red Project Review Committee (PRC). Mr. Lawson noted that the Red PRC is presenting ten projects for funding consideration.

Mr. Lawson presented project **P2003-0085**. The application received high priorities from Franklin and Owen Counties. The applicant, **Franklin County Farmers' Market**, requests \$130,500 of Franklin County funds and \$1,000 in Owen County Funds to construct a semi-permanent 5,760 square foot open-air pavilion in downtown Frankfort. This pavilion will serve the farmers market and other downtown events and festivals in River View Park. Request comes with a high county priority. Approximately 80% of the Franklin County Farmers' Market participants have relied on tobacco as a primary or supplemental source of income in the recent past. Due to recent quota cuts and the desire for diversification, producers have decreased burley tobacco production by more than 70% over the last 5 years. Many have turned to vegetable production. The primary stakeholders will be the Franklin County Farmers' Market, the Commonwealth of Kentucky, which owns the site, and the City of Frankfort, which leases and maintains the site and structures.

The Franklin County Farmers' Market has been identified as one of two statewide participants in a federal USDA Food and Nutrition Service pilot program to allow food stamp recipients to purchase fresh produce using their electronic benefits transfer card (EBT). This program enables low-income families to buy nutritious food with coupons and their EBT card. The proposed pavilion will have a dedicated area for EBT activities.

Furthermore, since other groups in the Farmers' Market off-season will use the structure, it has the potential to impact 30,700 visitors annually to Kentucky Riverview Park. It is anticipated that 42 farm families will benefit from this project by 2005. There are currently 22 farmers participating in the Franklin County Farmers' Market.

The Red Project Review Committee recommends funding \$120,500 in Franklin and \$1,000 in Owen County Funds. Part of the funds requested is a \$10,000 contingency fund to be able to dismantle the property; these funds not recommended for funding. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **P2003-0085** be approved for **\$120,500 in Franklin and \$1,000 in Owen County Agricultural Development Funds**; Mr. Hunt seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2002-0493**. The application received a high priority from Jefferson County. The applicant, **Broad Run Vineyards**, requests \$200,485 in state and \$1,000 in Jefferson County Agricultural Development Funds for an expansion of its winery facility. Broad Run is the largest and oldest continuous producer of high quality wines in Kentucky. The winery has continually produced vinifera (12 different varieties such as Cabernet, Shiraz, Chardonnay, Riesling among others) and other French hybrid grape varieties for fine wines. The vineyard is one of Kentucky's oldest, with vines ranging in age from 1 to 18 years. Broad Run has won several awards for the quality of its Kentucky wine and has its wine in major retail outlets around the state and region.

The application would allow for a winery expansion up to 15,000 gallons of wine production, 5 times their current production. The winery would purchase 30 acres of grapes from Kentucky growers and has already begun working with 5 growers to train them to grow the quality grapes they would need for their wines. The training would consist of an outreach program to would provide hands-on experience in the essentials of grape and wine production in Kentucky. During the active vineyard season, through growing to harvest, producers will observe and receive hands-on experience in vineyard planning (layout, selection of varieties, planting procedures, trellising and training), harvesting (sampling, timing of harvest, and crush), and methods of vinification from the Broad Run owner and staff to train them in winery practices and use of winery equipment.

The applicant, and owner of Broad Run, has 32 years of winemaking experience. His two-person staff has 29 years of combined experience with Broad Run Vineyards.

The Red Project Review Committee recommends funding this proposal, as a forgivable loan, in the amount of \$47,750 in state and \$1,000 in Jefferson County funds for half of the equipment costs. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2002-0493** be approved for **\$47,750 in state and \$1,000 in Jefferson County funds**; Ms. Harkins seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2003-0009**. The applicant, **KCTCS/Maysville Community College**, requests \$70,814 of state funds for a greenhouse project. The greenhouse will be utilized for workshops that will be available to tobacco-impacted families both individually and for credit toward an agriculture/horticulture certificate. Such short-term workshops and seminars, designed specifically for farmers who are currently in business, will include growing techniques, hydroponics, insect and disease controls, and structural components that relate to the greenhouse environment.

The College anticipates 12 tobacco-impacted families will be affected by each workshop (estimates are based upon class size). The Maysville Community College will work closely with the Mason County Extension Service to reach tobacco farmers. In addition, the greenhouse will also be used as a training facility for high school students in the surrounding counties to allow them to receive college credit for classes taken while in high school, encouraging them to pursue an agriculture/horticulture degree once they graduate.

The Maysville Community College attracts participants from Mason, Bracken, Fleming, Lewis, Harrison, Nicholas, Robertson, and Bourbon counties, all heavily tobacco impacted counties who shall be assisted by these programs.

The Red Committee recommends funding this application for \$58,445, which is based upon the matching funds that the College was able to substantiate. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0009** be approved for **\$58,445 of state funds**; Ms. Harkins seconded the motion. Commissioner Smith opened the floor for discussion:

Ms. Brown and Dean Smith shared their concerns about this project and consistency with Board policies.

The motion passed with one dissenting vote [Ms. Brown].

Mr. Lawson presented application **A2003-0348**. The applicant, **Todd County 4-H Council**, requests \$10,400 in county funds for a beef heifer chain project in which the Todd County 4-H Club members will purchase a registered beef heifer, raise, show and breed the animal to provide the onset of a heifer chain project in Todd County. The heifer chain will increase the number of youth involved in the livestock industry and teach them proper production and marketing techniques.

At least nine farm families will be impacted by this project the first year and there will be at least nine more families affected each year thereafter. Mr. Lawson reviewed the proposed terms and conditions for this project. Mr. Lawson moved that **A2003-0348** be approved for **\$10,400 in Todd County funds**; Mr. Moore seconded the motion. Commissioner Smith opened the floor for discussion:

Mr. Clay questioned requiring the youth to put up 50% cash, when they will be putting in costs associated with caring for the animal, and will be giving the heifer back to the chain.

Mr. Clay moved to amend the conditions back to the original proposal for full cost of the animal to be covered; Ms. Harkins seconded the amendment. The amendment passed without dissent.

The motion passed as amended without dissent.

Mr. Lawson presented application **A2003-0350**. The applicant, **Agri-tourism Interagency**, requests \$400,000 of State funds to define and support AgriTourism in Kentucky. The goals of this application are to augment economic development programs with regional marketing organizations and state agencies and include a focus of activities and actions designed to benefit rural Kentucky, through promotion of its farms and farmers.

These goals would be accomplished in year 1 by developing a statewide master plan for AgriTourism in Kentucky. This would be addressed by conducting a three-part study, which will create an inventory of all existing AgriTourism businesses, survey each business to determine economic impact, and conduct focus groups of potential customers from key states. Year 2 actions would take the completed study and use it as a basis to develop a marketing plan.

The second component of this request is to establish a joint-sponsored AgriTourism office to be housed in the Kentucky Department of Agriculture and hire a full-time coordinator.

The Board Project Review Committees recommend funding this request for \$400,000 (\$300,000 in State Funds and \$100,000 from the KCADE grant pool) to conduct the marketing study. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0350** be approved for **\$300,000 in state and \$100,000 in KCADE funds**; Mr. Clay seconded the motion.

Commissioner Smith recused himself from the vote. The motion passed without dissent.

Mr. Lawson presented application **A2003-0363**. The applicant, **Hopkins County Conservation District**, requests \$13,434 in county funds to continue an agricultural and environmental education program to provide students in Hopkins County with lessons concerning agriculture, conservation and environmental concerns. Some of the lesson titles to be taught include: "Where is agriculture?" "Our Precious Soil," "Careers in Agriculture," "Till or No Till," "Controlling Pests and Disease," and "Lots More From Agriculture." There are 75 lessons available to be taught in grades K-8. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0363** be approved for **\$13,434 in Hopkins County funds**; Mr. Clay seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2003-0368**. The applicant, **Marshall County Conservation District**, requests \$20,900 of Marshall County funds to administer a second funding cycle of the Lime program for row crop farmers who did not participate in the Marshall County Forage Improvement Program. Mr. Lawson reviewed the proposed terms and conditions of the project. Mr. Lawson moved that **A2003-0368** be approved for **\$20,900 in Marshall County funds**; Dean Smith seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2003-0371**. The applicant, **Green River Area Development District**, requests \$8,000 in McLean County Agricultural Development Funds to implement a cost share program to purchase shade cloth for McLean County dark tobacco producers. The shade cloth will be used to protect dark tobacco and prevent sun burning of the leaf which will improve quality, resulting in increased revenue to the grower. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0371** be approved for **\$8,000 in McLean County funds**; Mr. Clay seconded the motion. Commissioner Smith opened the floor for discussion:

Ms. Brown asked if funding this project went against the Board's mandate. Bill McCloskey, project analyst, responded that this project is the same as two other projects approved by the Board.

The motion passed with one dissenting vote [Ms. Brown].

Mr. Lawson presented application **A2003-0404**. The applicant, **Jackson Purchase RC&D Foundation, Inc.**, requests \$40,000 in Graves County funds to be used to provide a cost-share program to assist producers in purchasing light bars, monitors, GPS and other equipment to implement the precision agriculture program into their operations.

The cost-share rate will be 50/50 up to a maximum per farm operation of \$5,000. The applicant will use 3% of funding for administrative expenses. Approximately 22 farm families will benefit from this project. Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0404** be approved for **\$40,000 of Graves County funds**; Mr. Clay seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2003-0406**. The applicant, **Kentucky Agricultural Finance Corporation**, requests \$20,000,000 of state funds to establish the Kentucky Agriculture Investment Trust. Funds would be used to establish three financing programs: the Investment Fund for Agriculture, the Agricultural Endeavors Lease Program, and the Young Farmers Financing Program.

All assistance being provided by KAFC would be in concert with local lenders. In keeping with the Agricultural Development Board's investment philosophy, KAFC funds would provide no more than 50% of the total financing for a KAFC participant. Funding in KAFC would be allocated to each of the following programs:

1. Investment Fund for Agriculture: Funds would provide financial assistance in two broad areas:
 - a. Investments in local banks to buy down interest rate for agricultural borrowers. Investments would work similarly to the existing Link Deposit Investment Program.
 - b. A secondary fund using County Agricultural Development Funds in conjunction with local loan buy-down programs also will be established, but is not part of this specific funding request.
2. Agricultural Endeavors Lease Program:
 - a. Funds would be used to purchase real estate to be leased back to value-added agricultural processors purchasing Kentucky grown commodities.
 - b. Funds would be combined with funding from other loan and grant sources with the ultimate goal to provide below market financing to the Kentucky producer.
3. Young Farmers Financing Program:
 - a. Funds would be made available to producers meeting the eligibility requirements of the Farm Service Administration's (FSA) Young Farmer Program or KRS 247.942(2)(a)
 - b. Direct loan or loan buy-down program in concert with local lenders.
 - c. Maximum loan amount of \$125,000, matching local bank funds dollar for dollar. FSA participation would be available either for guarantee or additional direct loan. Loan would be for 15 years fixed at New York Prime.
4. County Revolving Loan Program:
 - a. KAFC shall act as a clearinghouse and administrative entity for counties wishing to participate in the County Revolving Loan Model Program for farmers.

The purpose of the KAFC is to set up a revolving agricultural investment fund which will be used to promote the diversification of Kentucky tobacco farmers well beyond the availability of Phase I funds. Additionally KAFC funds would be used to leverage any other funds available to Kentucky farmers looking to diversify out of tobacco. All programs in this application are done in partnerships with local lenders. KAFC does not see itself as a bank, but rather a facilitator helping to match up Kentucky farmers with local lenders, thus keeping local dollars in the local economy.

Mr. Lawson reviewed the proposed terms and conditions for the project. Mr. Lawson moved that **A2003-0406** be approved for **\$20,000,000 in state funds**; Ms. Harkins seconded the motion. Commissioner Smith opened the floor for discussion:

Mr. Hunt and Commissioner Smith recused themselves.

Commissioner Smith asked if there are limits to what a county can commit to the revolving loan program. David Bratcher responded that there were no limits in place.

Mr. Bratcher noted that 1b. and 4. are the same program.

Mr. Moore asked if the funds requested had been allotted among the three broad programs. Mr. Bratcher stated that the KAFC had decided that, since the levels of interest for each program are unknown, it is in the best interest of the program not to initially allot funds to each program.

Mr. Moore asked about the wording in 2b; is "...Kentucky producer" the best way to word this? Mr. Bratcher noted that it refers to value-added producer/processor. Mr. Moore asked that 2b be changed to read "...Kentucky producer or processor." Mr. Bratcher reiterated that this was not a farm lease program; it is for value-added processors of Kentucky products.

Dean Smith asked if the county funds being committed to the county revolving loan program would come to the state Board for approval. Mr. Bratcher confirmed that, similar to the other programs, the county request for funds to be committed to the revolving loan program would come to the Board for final approval. The difference being that the Board will not enter into a grant agreement with the applicant, but will enter into a Memorandum of Understanding with KAFC that they will administer these funds on behalf of that specific county (delegation of authority). KAFC will then enter into a Master Inter-creditor Agreement with local lenders that will actually make the loans to the farmers, for which there will be a Promissory Note between the farmer and the lender.

Dean Smith asked if there was a mechanism that a County Council could recall untouched funds committed to this program, if they had a need for those funds elsewhere. Mr. Bratcher noted that there are currently no provisions in this proposal, but those could be developed as the program evolves and grows.

Mr. Lawson commented on the long hard work that has gone into developing this program. Mr. Royalty added that he and David had been working on this concept for over seven years, but there has never been a funding source. Mr. Royalty also noted that this program is not in competition with the Economics Development Cabinet (EDC) programs. EDC programs are based on number of jobs, and this program is not dependent on that. This program should compliment their programs.

Commissioner Smith shared concerns about the change in administration, operating expenses and staffing issues as they affect KAFC. Mr. Bratcher addressed these concerns, noting that the staff continuity issues with administration changes have been discussed since last Fall. Mr. Bratcher also noted that KAFC would initially have only enough funds for two staffers, not the entire staff. Additionally, KAFC is attached to the KY Department of Agriculture for “administrative purposes,” which in state government is an ambiguous term.

Mr. Bratcher added that 2003 HB 541 was written to make KAFC more like the KY Higher Education Assistance Authority or KY Housing Corporation, both of which are housed in the Finance and Administration Cabinet.

Commissioner Smith shared his concerns about the transition of any money approved. Mr. Bratcher stated that there would be an agreement between KAFC and the Agricultural Development Board for any money approved; the agreement would define the uses of the funds and only earnings from these funds could be used for operating expenses. Staffing is not in this request, but is a concern being addressed. KAFC does have the authority to hire an Executive Director who then in turn could hire necessary staff.

Mr. Bratcher noted that the Governor’s Office of Agricultural Policy, which many have assumed will staff KAFC, is currently running at 32% of its administrative budget with 8 of 22 staff positions unfilled.

Ms. Brown requested that both KAFC and ADB view the legal agreement before it is executed.

Commissioner Smith called the question. The motion passed without dissent.

Review of Amendments

Mr. Royalty presented the following amendments for approval.

Application **A2003-0072, Franklin County Cattlemen’s Association**, was approved for \$125,000 on May 16, 2003. The applicant requests a decrease in project funds for the Hay, Straw & Commodity Program of \$ 93,772. This amount is to go back to the county account for other projects. Approval of this request brings the project total to \$31,228.

Application **A2001-0749, Southern Kentucky Agriculture Development Association**, was approved for \$125,000 on December 21, 2001. The applicant requests a decrease of \$25,463.26 for Rockcastle County’s Handling Facilities Program. These funds are to be reallocated to Rockcastle County’s Forage Improvement Program (A2001-0751). Approval of this request brings the program total for A2001-0749 to \$99,536.74.

Application **A2001-0750, Southern Kentucky Agriculture Development Association**, was approved for \$75,000 on December 21, 2001. The applicant requests a decrease of \$14,299.87 for Rockcastle County's Genetics Improvement Program. These funds are to be reallocated as follows: \$10,980.74 to Rockcastle County's Forage Improvement Program (A2001-0751) and \$3,319.13 back to the county account for use in other programs. Approval of this request brings the program total for A2001-0750 to \$60,700.13.

Application **A2001-0751, Southern Kentucky Agriculture Development Association**, was approved for \$200,000 on December 21, 2001. The applicant requests an increase of \$36,444 for Rockcastle County's Forage Improvement Program. These funds are to be reallocated from A2001-0749 and A2001-0750 [see above]. Approval of this request brings the program total for A2001-0751 to \$236,444.

Mr. Moore moved that the above requested amendments be approved; Mr. Lawson seconded the motion. The motion passed without dissent.

The Bath County Agricultural Extension Foundation, Inc. Application 2003-0081 was a request for \$1.7 million to construct the Bath County Agricultural Education and Marketing Center located along I-64 in Owingsville. Based upon the match that had been established in May, the Board funded the project for \$692,500 in state funds, \$300,000 in Bath County funds, and \$10,000 in Menifee County funds. The project was funded at a lesser amount than the request due to staff being unable to substantiate a higher land value than the previous appraisal from the Transportation Cabinet of \$87,500. The Board did not want to pend the project further to allow time to conduct a new appraisal due to the impending deadline on a federal grant that the project had received. The project was funded with the understanding that the Bath County Extension Foundation would come back to the Board with a new appraisal and the Board would consider that as additional funds for their match.

A new appraisal has been conducted by Steven D. Adams, GAA, a Certified General Real Property Appraiser. This appraisal estimates the value of the land at \$510,000. Based upon that appraisal, the project has a match of an additional \$422,500 (\$510,000 new appraisal - \$87,500 old appraisal).

In addition, the project has also established \$85,000 in matching funds that were not matched previously due to the fact that the project had not shown the need for this in their budget. The group involved in the project has sent in additional cost estimates from their bidding process that establishes the need for those additional funds. The project has encountered an unexpected rise in their costs due to the prevailing wage requirement, which has significantly increased their site preparation costs.

Based upon these facts, the Bath County Agricultural Extension Foundation would like to request that the Board amend their project to reflect their matching funds. The Board Project Review Blue and Red Committees recommend funding this amendment in the amount of \$507,500 based upon the Board's recommendation for the Bath County Extension to obtain a more recent land appraisal and come back to the Board for additional matching funds, as well as the newly established need to match all of their assets. This will adjust the total amount approved from \$1,002,500 to \$1,510,000.

Ms. Harkins moved that **A2003-0081 be amended to add \$507,500 in state funds** to their approved total; Mr. Moore seconded the motion. The motion passed without dissent.

Application **A2001-0525, Kentucky Heritage Meats, LLC**, was approved on February 21, 2003. A condition approved by the Board at its February 2003 Board meeting regarding this application reads as follows.

“Prior to disbursement, applicant shall either own the facility or procure a long-term lease on a facility capable of completing the project. The terms of the lease must be approved by the Board prior to the disbursement of funds.”

Mr. Medley has presented a Lease Agreement he signed October 29, 2002 for a one-year lease beginning January 1, 2003 with an option to renew for one year.

The Project Review Committees recommend that the Lease Agreement presented by Mr. Medley be approved by the Board and Agricultural Development Funds be disbursed according to the terms and conditions approved by the Board on February 21, 2003. Mr. Lawson moved that the above amendment for A2001-0525 be approved; Ms. Harkins seconded the motion. The motion passed without dissent.

Recommendations for No-Funding³

Mr. Royalty presented projects P2003-0084 (3-0275, 3-0268, 3-0305, 3-0326, 3-0337, 3-0398), A2003-0296, A2003-0299, A2003-0301, A2003-0303, A2003-0312, A2003-0334, A2003-0336, A2003-0339, A2003-0375, and A2003-0378 as projects recommend for no-funding by the project review committees.

Mr. Lawson moved that county funds (Warren and Edmonson) for **P2003-0084, Barren River Regional Livestock Center**, be pended until all other county support is submitted; Ms. Harkins seconded the motion. The motion passed without dissent.

Ms. Harkins moved that **A2003-0301, Green River Produce Marketing Cooperative**, be pended; Mr. Clay seconded the motion. The motion passed without dissent.

Mr. Lawson moved that **A2003-0312, Grayson County Conservation District**, be pended; Mr. Moore seconded the motion. The motion passed without dissent.

Mr. Lawson moved that **A2003-0339, Monroe County School Food Service**, be pended; Ms. Harkins seconded the motion. The motion passed without dissent.

Mr. Moore moved that **A2003-0378, Spencer County Public Schools**, be pended; Mr. Hunt seconded the motion. The motion passed without dissent.

³ Detailed list of projects for a no-funding recommendation listed in Appendix C.

Mr. Lawson moved that no funding be awarded to A2003-0275 [state portion], A2003-0268, A2003-0305, A2003-0326, A2003-0337, A2003-0296, A2003-0299, A2003-0303, A2003-0334, A2003-0336, and A2003-0375; Mr. Clay seconded the motion. The motion passed without dissent.

Other Business

Mr. Royalty reminded everyone of the time and effort put into staff recommendations for the Board Project Review Committees. Staff's recommendations are just that "recommendations" and are no cause for degradation of the staff for the recommendations presented.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene at 10:30 a.m. on Friday, August 15, 2003 at South Wing Board Room, KY Fair & Expo Center. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

The meeting adjourned at 2:30 p.m.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: *Referred to Project Review*

Applications A2003-0408 to A2003-0472

Appl #	Project Name	
A2003-0408	Clinton County Farm Bureau, Inc.	Hay, Straw and Commodity Storage
A2003-0409	Barren River Area Development District - DUPLICATE	Project
A2003-0410	Russell County Dairy Advancement Council	Hay, Straw and Commodity Storage
A2003-0411	Metcalfe County Board of Education	Project
A2003-0412	Metcalfe County Cattleman's Association, Inc.	Fencing Improvement
A2003-0413	Gone Fishin: Commercial Fish Farm Operation	Project
A2003-0414	Barren River Regional Livestock Center	Project
A2003-0415	Western Kentucky Goat Association, Inc.	Goat Diversification
A2003-0416	Butler County Stockman's Association, Inc.	Forage Improvement
A2003-0417	Montgomery County Cattlemen's Association	Forage Improvement
A2003-0418	Clinton/Cumberland Cattleman's Association	Hay, Straw and Commodity Storage
A2003-0419	Buffalo Trace Area Development District	Handling Facilities Cost Share
A2003-0420	Buffalo Trace Area Development District	Agricultural Diversification
A2003-0421	Cumberland County School Food Service	Project
A2003-0422	Clinton/Cumberland Cattleman's Association	Handling Facilities Cost Share
A2003-0423	Cumberland County Farm Bureau	Agricultural Diversification
A2003-0424	Clinton-Cumberland Cattlemen's Association	Genetics Improvement
A2003-0425	Taylor County Cattlemen's Association, Inc.	Project
A2003-0426	Taylor County Farm Bureau Federation	Hay, Straw and Commodity Storage
A2003-0427	Taylor County Cattlemen's Association, Inc.	Project
A2003-0428	Taylor County Cattlemen's Association, Inc.	Project
A2003-0429	Taylor County Cattlemen's Association, Inc.	Project
A2003-0430	Kentucky Heartland Nursery Association	Project
A2003-0431	Campbellsville/Taylor County Industrial Development Authority	Project
A2003-0432	Campbellsville/Taylor County Industrial Development Authority	Project

APPENIDIX A: *Referred to Project Review*

Appl #	Project Name	
A2003-0433	Central Kentucky Meat Goat Producers Association, Inc.	Project
A2003-0434	Taylor County Cattlemen's Association, Inc.	Project
A2003-0435	Taylor County Schools Food Service	Project
A2003-0436	Green River Cattle Company, Inc.	Project
A2003-0437	Allen County Conservation District	Forage Improvement
A2003-0438	Barren River Regional Livestock Center, LLC	Project
A2003-0439	Green River Produce Marketing Cooperative	Project
A2003-0440	Logan-Simpson DHIA Inc.	Agricultural Diversification
A2003-0441	Franklin-Simpson Chamber of Commerce	Project
A2003-0442	Simpson County Conservation District	Hay, Straw and Commodity Storage
A2003-0443	Green River Marketing Cooperative	Project
A2003-0444	Barren River Regional Livestock Center, LLC	Project
A2003-0445	Green River Produce Marketing Cooperative	Project
A2003-0446	Metcalfe County Conservation District	Forage Improvement
A2003-0447	Metcalfe County Cattleman's Association	Handling Facilities Cost Share
A2003-0448	Metcalfe County Cattlemen's Association	Genetics Improvement
A2003-0449	Bath County Conservation District	Hay, Straw and Commodity Storage
A2003-0450	DUPLICATE	Agricultural Diversification
A2003-0451	Edmonson County Cattlemen's Association	Handling Facilities Cost Share
A2003-0452	Logan-Simpson DHIA INC.	Agricultural Diversification
A2003-0453	Logan County Farm Bureau	Agricultural Diversification
A2003-0454	Logan County Farm Bureau	Genetics Improvement
A2003-0455	Mammoth Cave Resource Conservation and Development Area, Inc.	Project
A2003-0456	Mammoth Cave Resource Conservation and Development Area, Inc.	Project
A2003-0457	Barren River Regional Livestock Center	Project
A2003-0458	Green River Produce Marketing Cooperative	Project
A2003-0459	Logan County Conservation District	Project

APPENDIX A: *Referred to Project Review*

Appl #	Project Name	
A2003-0460	Logan County Conservation District	Hay, Straw and Commodity Storage
A2003-0461	Logan County Cattlemens Association Incorporated	Handling Facilities Cost Share
A2003-0462	Kentucky Ketch	Agricultural Diversification
A2003-0463	Licking River Valley RC&D Council, Inc.	Project
A2003-0464	Carroll County Agriculture Development Fund, Inc.	Handling Facilities Cost Share
A2003-0465	Carroll County Agriculture Development Fund, Inc.	Forage Improvement
A2003-0466	Carroll County Agriculture Development Fund, Inc.	Genetics Improvement
A2003-0467	Carroll County Agriculture Development Fund, Inc,	Agricultural Diversification
A2003-0468	Cumberland County Soil Conservation District	Forage Improvement
A2003-0469	DUPLICATE	Project
A2003-0470	DUPLICATE	Project
A2003-0471	DUPLICATE	Project
A2003-0472	Kentucky Ketch, Inc.	Goat Diversification

APPENIDIX B: *Model Program Lists*

Agricultural Diversification

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0310	Bath County Farm Bureau	Bath	\$53,000.00
A2003-0394	Breckinridge County Ag. Diversification Council, Inc.	Breckinridge	\$20,000.00
A2003-0386	Henry County Agricultural Diversification Association	Henry	\$133,705.00
A2003-0382	Marshall County Conservation District	Marshall	\$5,000.00
A2003-0291	Mason County Agricultural Advancement Council	Mason	\$16,000.00
A2003-0374	Green River Area Development District	McLean	\$15,000.00
A2003-0224	Menifee County Conservation District	Menifee	\$39,000.00
A2003-0353	Mercer County Farm Bureau	Mercer	\$30,000.00
A2003-0379	Montgomery County Farm Bureau	Montgomery	\$125,000.00
A2003-0314	Morgan County Fiscal Court	Morgan	\$50,400.00
A2003-0407	Family Farm Project Cooperative Association	Oldham	\$3,729.00
A2003-0376	Green River Area Development District	Webster	\$4,745.00
Sub Total			\$495,579.00

Fencing Improvement

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0369 \$200,000.00	Bracken County Agriculture Advancement Council	Bracken	
A2003-0333	Monroe County Conservation District	Monroe	\$75,291.00
A2003-0340	Scott County Beef Improvement Association	Scott	\$90,000.00
Sub Total			\$365,291.00

APPENIDIX B: *Model Program Lists*

Forage Improvement

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0360	Breathitt County Conservation District	Breathitt	\$26,250.00
A2003-0346	Casey County Conservation District	Casey	\$50,000.00
A2003-0397	Edmonson County Conservation District	Edmonson	\$52,750.00
A2003-0300	Hart County Conservation District	Hart	\$200,000.00
A2003-0344	Jackson County Cattlemen's Association	Jackson	\$75,000.00
A2003-0365	Lyon County Conservation District	Lyon	\$25,000.00
A2003-0384	Marshall County Conservation District	Marshall	\$10,000.00
A2003-0292	Green River Area Beef Improvement Group, Inc.	McLean	\$12,365.00
A2003-0318	Morgan County Fiscal Court	Morgan	\$220,500.00
Sub Total			\$671,865.00

Genetics Improvement

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0321	Barren County Cattlemen's Association, Inc.	Barren	\$204,000.00
A2003-0395	Edmonson County Cattleman Association	Edmonson	\$10,000.00
A2003-0362	Hopkins County Livestock Association, Inc.	Hopkins	\$13,000.00
A2003-0345	Jackson County Cattlemen's Association	Jackson	\$5,000.00
A2003-0383	Marshall County Conservation District	Marshall	\$5,000.00
A2003-0294	Green River Area Beef Improvement Group, Inc.	McLean	\$12,365.00
A2003-0356	Mercer County Cattlemen's Association	Mercer	\$30,000.00
A2003-0315	Morgan County Fiscal Court	Morgan	\$18,375.00
Sub Total			\$297,740.00

APPENIDIX B: *Model Program Lists*

Goat Diversification

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0320	Barren River Area Development District	Barren	\$20,000.00
A2003-0390	Breckinridge County Ag. Diversification Council, Inc.	Breckinridge	\$20,000.00
A2003-0366	Owsley County Action Team	Estill	\$9,975.00
A2003-0405	Jackson Purchase RC&D Foundation, Inc.	Graves	\$10,000.00
A2003-0289	Greenup County Farm Bureau	Greenup	\$8,925.00
A2003-0361	Western Kentucky Goat Association, Inc.	Hopkins	\$13,000.00
A2003-0373	Green River Area Development District	McLean	\$25,000.00
A2003-0355	Ft. Harrod Goat Association	Mercer	\$40,000.00
A2003-0313	Morgan County Fiscal Court	Morgan	\$10,500.00
A2003-0389	Barren River Area Development District	Warren	\$20,000.00
Sub Total			\$177,400.00

Handling Facilities Cost Share

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0322	Barren County Cattlemen's Association, Inc.	Barren	\$123,000.00
A2003-0391	Breckinridge County Beef Improvement Council	Breckinridge	\$90,000.00
A2003-0290	Green River Area Development District	Hancock	\$50,000.00
A2003-0343	Jackson County Cattlemen's Association	Jackson	\$20,000.00
A2003-0293	Green River Area Beef Improvement Group, Inc.	McLean	\$12,365.00
A2003-0316	Morgan County Fiscal Court	Morgan	\$63,000.00
Sub Total			\$358,365.00

APPENIDIX B: *Model Program Lists*

Hay, Straw and Commodity Storage

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0403	Jackson Purchase RC&D Foundation, Inc.	Ballard	\$100,000.00
A2003-0359	Breathitt County Conservation District	Breathitt	\$52,500.00
A2003-0393	Breckinridge County Soil Conservation District	Breckinridge	\$90,000.00
A2003-0309	Elliott County Fiscal Court	Elliott	\$58,025.00
A2003-0367	Estill County Cattlemen's Association, Inc.	Estill	\$65,625.00
A2003-0302	Hart County Cattlemen's Association	Hart	\$200,000.00
A2003-0385	Henry County Cattlemen's Association	Henry	\$101,750.00
A2003-0342	Jackson County Cattlemen's Association	Jackson	\$100,000.00
A2003-0399	Lawrence County Agriculture Development and Economic Council	Lawrence	\$41,500.00
A2003-0364	Lyon County Conservation District	Lyon	\$30,000.00
A2003-0357	Mercer County Conservation District	Mercer	\$100,000.00
A2003-0256	Montgomery County Cattlemen's Association	Montgomery	\$54,050.00
A2003-0317	Morgan County Fiscal Court	Morgan	\$141,750.00
A2003-0352	Wolfe County Conservation District	Wolfe	\$100,000.00
Sub Total			\$1,235,200.00

On-farm Water Enhancement

<i>App #</i>	<i>Project Name</i>	<i>County</i>	<i>Funds</i>
A2003-0392	Breckinridge County Soil Conservation District	Breckinridge	\$90,000.00
Sub Total			\$90,000.00

APPENIDIX C: *Recommendations for No Funding*

<i>App #</i>	<i>Project Name</i>	<i>County</i>
P2003-0084	Barren River Regional Livestock Center (3-0275, 3-0268, 3-0305, 3-0326, 3-0337, 3-0398)	Warren
A2003-0296	International Spotted Horse Registry	McLean
A2003-0299	Green River Cattle Company	Hart
A2003-0301	Green River Produce Marketing Cooperative	Hart
A2003-0303	Hart County Cattlemen's Association, Inc.	Hart
A2003-0312	Grayson County Conservation District	Grayson
A2003-0334	Barren River Area Development District	Monroe
A2003-0336	Green River Produce Marketing Cooperative	Monroe
A2003-0339	Monroe County School Food Service	Monroe
A2003-0375	Green River Area Development District	McLean
A2003-0378	Spencer County Public Schools	Spencer